

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, OCTOBER 2, 2007

The meeting of the State Properties Committee was called to order at 10:05 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Genevieve Allaire-Johnson representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members and Xaykham Khamsyvoravong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Robert C. Bromley from the Rhode Island Senate Fiscal Office; Marc Malkasian, John Glynn and Tim Harris from the Rhode Island Department of Transportation; Lisa Primiano from the Rhode Island Department of Environmental Management; Juan Mariscal, Romeo Mendes and Elaine Maguire from the Water Resources Board; Sharon Pelser and Tim Regan from Exeter-West Greenwich Sports for Kids; and Steve Peoples from the Providence Journal.

A motion was made to approve the regular minutes of the State Properties

Committee meeting held on Tuesday, September 18, 2007, by Mr. Pagliarini and

seconded by Mr. Kay. Motion passed four (4) votes “Aye; one abstention.

Four (4) Votes Aye

Mr. Pagliarini

Mr. Griffith

Mr. Kay

Chairman Flynn

One (1) Abstention

Ms. Allaire-Johnson

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

The next scheduled meeting of the State Properties Committee will be held on

Tuesday, October 16, 2007, at 10:00 a.m.

ITEM A – Water Resources Board – A request was made for approval of a form of Lease Agreement for the renewal of leases by and between the Water Resources Board and the tenants of the Big River

Management Area properties. Mr. Mariscal indicated that this item is a routine request, which comes before the Committee annually. Mr. Mariscal explained that the Big River Management Area contains approximately thirty-three (33) dwellings as well as a small number of commercial properties. Mr. Mariscal indicated that the leases for said properties are on an annual basis. The rents are adjusted in accordance with the Consumer Price Index (the "CPI"). The rents are proposed to be increased by four (4%) percent from last year. Mr. Mariscal indicated that the lease agreement has been revised to conform to the standard form of lease agreement approved by the Department of Administration's Legal Department. Chairman Flynn noted that several of the rental fees are extremely low and asked how the rental fees were determined. Mr. Mariscal explained these amounts represent the rental rate paid by the original owners of the dwelling located in the Big River Management Area. The Water Resource Board has allowed these original owners to remain in the dwellings at a fix rental rate. Mr. Mariscal explained that a fair market value analysis is done every five (5) years and the rental fees are adjusted in accordance with the CPI on an annual basis. A fair market value analysis was most recently conducted in 2005. Mr. Kay asked if the tenants' insurance coverage is uniformed to the amount of liability insurance coverage, which is currently required by the State of Rhode Island. Mr. Mariscal indicated that he does not have that information immediately available. Mr. Pagliarini indicated that he did not have any comments concerning the content of the lease agreement; however, he believes the mechanism needs to be

reconfigured in terms of numbering or lettering. Mr. Mendes indicated the lease agreement has been corrected in that regard. A motion was made to approve by Mr. Pagliarini and seconded, subject to the tenants obtaining legal liability insurance in accordance with the current requirements of the State of Rhode Island.

Passed Unanimously

ITEM B – Water Resources Board – A request was made for approval of an Agreement by and between the Water Resources Board and Exeter-West Greenwich Track Building Committee for the removal of gravel and fill from the Big River Management Area. Mr. Mariscal explained that on August 21, 2007, the State Properties Committee approved the Water Resources Board’s request relative to the removal of gravel and fill in the Big River Management Area by the Exeter-West Greenwich Sports for Kids Association. At that time the Committee recommended that the Water Resources Board return to the Committee with a finalized contract “which identifies the parties, quantities, liabilities, safeguards and third party subcontractors” for review and final approval. Mr. Mariscal indicated that this matter was presented to the Board of Directors of the Water Resources Board for its guidance relative to the contract. Mr. Mariscal explained that the Water Resources Board has agreed to allow the Exeter-West Greenwich Sports for Kids Association to provide “in kind services” at the Big River Management Area as compensation for materials removed from the site. The Water Resources Board has prepared a list of nine (9) different tasks to be completed by the Exeter-West

Greenwich Sports for Kids Association in order to satisfy the terms and conditions of the Agreement. The Water Resources Board is working out a schedule with the Exeter-West Greenwich Sports for Kids Association at the present time. The “in kind services” primarily concern security at the Big River Management Area. Mr. Mariscal explained that there are a number of casual access points to the property, which result in the dumping of trash as well as other inappropriate and/or illegal uses of the property. Therefore, the tasks include the transporting and placing of boulders to block entrances. The Water Resources Board is very satisfied with the Agreement. Mr. Mariscal introduced Tim Reagan from the Exeter-West Greenwich Sports for Kids Association. Mr. Reagan explained that the Exeter-West Greenwich School Department essentially ran out of money prior to the construction of the high school’s track. The student presently run track in a cemetery. Mr. Reagan indicated that a tremendous amount of fill material is necessary in order to construct a track. Mr. Reagan explained that the Exeter-West Greenwich cannot afford to purchase the gravel and fill but can perform “in kind services” to compensate the Water Resources Board. Mr. Reagan indicated that the Agreement was prepared a few weeks ago and the Board of Directors of the Water Resources Board voted unanimously to approve the same contingent upon Exhibit A, which is the list of “in kind services.” The list was negotiated and agreed upon last week by the parties. Chairman Flynn asked that the State Properties Committee be provided with a copy of Exhibit A for its records. A motion was made to approve by Mr. Griffith

and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM C – Water Resources Board – A request was made for approval of the

Landlord's Consent to Encumbrance and Subordination Agreement by and between the Water Resources Board and Maple Root Corporation. Mr. Mendes explained that the Water Resources Board received a request from Attorney Patrick Lynch to remove an entity referred to as the Maple Root Housing Cooperative Corporation from the Lease Agreement. It is Mr. Mendes' understanding that this entity was erroneously named on the Lease Agreement by Rhode Island Housing. Mr. Mendes explained that Maple Root Housing Cooperative Corporation is a shareholder and has no assets other than a few shares of stock and therefore, does not need to be named on the Lease Agreement. The Water Resources Board is seeking the State Properties Committee's approval of the Consent Agreement drafted by Attorney Patrick Lynch as well as authorization to execute the same. Chairman Flynn asked whether the only change to the Lease Agreement is the removal of Maple Root Housing Cooperative Corporation. Mr. Mendes indicated that is correct. Mr. Mendes indicated that an amended Lease Agreement will be prepared and will be presented to the State Properties Committee for approval in the near future. A motion was made to approve by Mr. Kay and seconded by Ms. Allaire-Johnson.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease (renewal) by and between the Department of Environmental Management and Joseph Turino for the premises located at on the westerly side of Fort Ninigret in Town of Charlestown. Ms. Primiano indicated that Mr. Turino is an abutter to state-owned property known as Fort Ninigret in Charlestown. Ms. Primiano explained that the residence which Mr. Turino purchased included a boat house and dock, which were leased to the previous owner by the Department of Environmental Management. After a review of the Department of Environmental Management's file it was determined that the original Lease Agreement relative to the boathouse and dock dates back to 1941. Ms. Primiano explained that the Department of Environmental is currently re-evaluated all of its lease agreements to ensure that the State of Rhode Island is receiving adequate compensation for leased property. Ms. Primiano indicated that she together with a representative from the Division of Parks and Recreation visited the subject property with Mr. Turino. The rental fee has been increased pursuant to a fair market value appraisal and is reflected in the new Indenture of Lease Agreement. As Mr. Turino has made some improvements to the boathouse and dock, the Department of Environmental Management agreed to extend the Indenture of Lease for an additional term of five (5) years. However; Mr. Turino has been informed that this is the end of his tenancy relative to boathouse and dock. Mr. Pagliarini asked why the property is not being deemed surplus and sold. Ms. Primiano illustrated the exact location of the

subject property using a location map. Ms. Primiano indicated that the Division of Parks and Recreation does not wish to deem the property surplus to the Department of Environmental Management's need. Ms. Primiano indicated that the property is at the end of a residential street and includes a historical port. Mr. Griffith asked if the boathouse and dock are also historic properties. Ms. Kay indicated that the boathouse and dock are not historic structures. A photograph of the dock and boathouse was presented to the Committee for review. A motion to approve was made by Mr. Griffith and seconded by Ms. Allaire-Johnson.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease (renewal) by and between the Department of Environmental Management and Maureen Gober for the premises located at 2283 Hartford Avenue in the Town of Johnston. Ms. Primiano explained that the subject property was one of the residences acquired by the Department of Environmental Management in early 2000, for the intended development of Snake Den State Park. Ms. Primiano indicated that the Snake Den State Park project has since been derailed. Ms. Gober was living in the subject property at the time the Department purchased it. Ms. Gober has been paying fair market rent since the purchase of the property. At this time, Ms. Gober is searching for a retirement home and is expected to vacate the premises within the year. Mr. Primiano explained that the Department of Environmental Management does not have any long-term plan for

Snake Den State Park at this time. Therefore, the Department could possibly return with a new Indenture of Lease once Ms. Gober vacates the residence. Ms. Primiano indicated that it is possible that the Department of Environmental Management may deem the properties surplus if they are not used for the development of Snake Den State Park. However, in the meantime it is important that the dwelling are occupied, otherwise they area prone to vandalism and other damage. Ms. Primiano indicated that Ms. Gober is paying rent in the amount \$1,300.00, which is a \$100.00 increase from the previous lease agreement. Ms. Gober pays her rent in a timely manner and has the necessary insurance coverage in place. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM F – Department of Environmental Management – A request was made for final approval for the purchase of development rights over 116 acres of land known as Treaty Rock Farm located in the Town of Little Compton. Ms. Kay indicated that the Department of Environmental Management serves as staff to the Agricultural Preservation Committee and it is the purpose of the Agricultural Preservation Committee to purchase the Development Rights to farms located in Rhode Island. Ms. Kay indicated that the purchase of development rights over Treaty Rock Farm has been a priority for several years. The State of Rhode Island was very fortunate to receive Federal USDA funds to purchase the develop rights and is using said funds to leverage funds from the Little Compton Agricultural Conservancy Trust and the Nature Conservancy Trust.

The total purchase price for the property \$3.6 million dollars. The State of Rhode Island will contribute \$450,000. The Little Compton Agricultural Conservancy Trust will contribute \$1,658,951, and the Nature Conservancy Trust will contribute \$950,000. Ms. Kay indicated that Treaty Rock Farm is still very active agricultural farm and participates in the farmers' market held at Hope High School. Treaty Rock Farm is also an important historic site and a book was recently published about the historic Treaty Rock, which is still on the property. The Department of Environmental Management expects that a closing of the property will take place within the next thirty (30) days. A motion to approve was made by Mr. Griffith and seconded by Mr. Pagliarini. The State Properties Committee commended the Department of Environmental Management on a job well done relative to this very worthwhile acquisition.

Passed Unanimously

ITEM G – Department of Transportation – A request was made for approval of and signatures on an Indenture of Lease for the continued use of approximately 38,525 square feet of property located at the Barrington Congregational Church parking lot as a Park-N-Ride Facility. Mr. Harris explained that the Indenture of Lease is for a term of five (5) years at the costs of \$1,000 per month. The parking lot accommodates ninety-eight vehicles and is one of the Department of Transportation's most successful park-n-ride facility. Both parties will have the required insurance coverage in place upon the execution of the Indenture of Lease. Chairman Flynn asked if the cost will be federally funded. Mr. Harris indicated that he believes

eighty (80%) percent of the cost will be federally funded; however, the Department of Transportation will not know the exact appropriation until the documents are executed. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM H – Department of Transportation – A request was made for approval of

and signatures on an Agreement to Purchase and a Quit Claim Deed conveying 7,866 square feet of property located on Mendon Road in the Town of Cumberland to St. John Episcopal Church. Mr. Glynn explained that St. John Episcopal Church has maintained the subject property over the past several years. The Department of Transportation has deemed the subject property to be surplus to its needs as it has very limited use due to the condition of the land. The subject property abuts wetlands and is an irregular shape. The Department of Transportation conducted an in-house appraisal which valued the property at \$7,866,00. A motion was made to approve by Mr. Kay and seconded by Ms. Allaire Johnson.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:43 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

Holly H. Rhodes, Executive Secretary